

STANDARD OPERATING PROCEDURES
FOR USING THE GOVERNMENT-WIDE
COMMERCIAL CREDIT CARD SERVICE

DIRECTORATE OF CONTRACTING, FORT DIX, NJ

A. INTRODUCTION

The General Services Administration, Federal Supply Service (FSS), awarded a task order for the Government-wide Commercial Credit Card Services to U.S. Bank, formerly Rocky Mountain Bank Card System, Inc. The task order provides, at the request of Federal ordering agencies, Government-wide commercial credit cards and associated services for civilian and military Government employees to make purchases within the micro-purchase threshold (\$.01 through \$2,500.00) for official Government use.

The policy of the Directorate of Contracting, Fort Dix, New Jersey, and its Forward Support Cells is to use the Government-wide Commercial Credit Card for purchases within the micro-purchase limit. The Agency Program Coordinator shall manage the Government-wide Credit Card Program in all operating units to ensure that all transactions comply with these procedures and any other applicable internal regulations.

The credit card may be used to pay for micro-purchases made in accordance with Part 13 of the Federal Acquisition Regulation (FAR), and any supplements thereto, and to pay for orders placed against established contracts or with established sources of supply (see FAR Part 8), only when authorized by the contract or regulation requiring use of the mandatory source. The credit card can be used to pay for supplies or services that are required using oral solicitation procedures. It may also be used to pay for supplies or services that are required through a purchase order or written contract. Without exception, the Government-wide Commercial Credit Card may only be used to pay for authorized U.S. Government requirements.

This Standard Operating Procedure (SOP) is applicable to Fort Dix and supported units/organizations using the Government-wide Commercial Credit Card. The Directorate of Contracting at Fort Dix is the proponent agency. Comments and suggestions for changes should be sent to the Agency Organization Program Coordinator.

B. DEFINITIONS

Agency Organization Program Coordinator. The Agency Organization Program Coordinator (AOPC) serves as the focal point for coordination of the applications, issuance, maintenance and destruction of cards; establishment of reports; and administrative training. This individual also serves as the liaison between the Directorate of Contracting, U.S. Bank IMPAC Government Services Purchasing Card Program, and the General Services Administration Contracting Officer. He/she oversees the Government-wide Commercial Credit Card Program (also known as the IMPAC program) and establishes guidelines for use of the card. Changes to dollar limitation or authorized merchant codes must be submitted to U.S. Bank by the Agency Organization Program Coordinator (or designated Alternate Agency Organization Program Coordinator).

The Agency Organization Program Coordinator is:

Pamela Lutz
Directorate of Contracting
Building 5418, Room 315
Fort Dix, NJ 08640-6150
Phone: 609-562-6962 (DSN 944)(FAX 5247)
Email: lutzp@dix-emh6.army.mil

The Alternate Agency Organization Program Coordinator for **Fort Dix and its 5-9 supported organizations is:**

Ray Blauvelt
Directorate of Contracting
Building 5418, Room 310
Fort Dix, NJ 08640-6150
Phone: 609-562-2699 (DSN 944) (FAX 6933)
Email: blauveltr@dix-emh6.army.mil

Approving Official (a.k.a. Billing Official/Certifying Official). The Approving Official shall be the cardholder's immediate supervisor or a higher level official and shall approve all purchases made by his/her cardholders prior to the transaction. A cardholder cannot be his/her own Approving Official to his/her supervisor. The Approving Official is responsible for reviewing the cardholder's monthly Statement of Account to ensure purchases are made in accordance with the FAR, supplementing regulations, and agency/organization supplemental regulations. As a ***Certifying Official***, the Approving Official certifies the official invoice, and is liable for an illegal, improper, or incorrect payment processed as a result of an inaccurate or misleading certification. The Approving Official also serves as liaison between the cardholder and the Agency Organization Program Coordinator and/or the Alternate Agency Organization Program Coordinator.

Billing Official. See definition for Approving Official.

Billing Period. Commences on the 24th of the month, and ends on the 23rd of the next month.

Billing Statement. Summary of all purchasing action by cardholders under the cognizance of the Approving Official/Certifying Official. The Billing Statement is also the *official invoice* and will be issued on a monthly basis by the bank to the Approving/Certifying Official. The Billing Statement is certified by the Approving Official and forwarded directly to the paying office by the Approving Official. (See Attachment 1 for sample of Billing Statement).

Cardholder. The cardholder is the individual to whom the card is issued. The card bears this individual’s name and may only be used by this individual to pay for authorized U.S. Government purchases.

Customer Automation and Reporting Environment (C.A.R.E.). An electronic interface via the Internet which allows cardholders and Approving Officials to access their accounts on a real-time basis to review details of transactions. (See Attachment 2 for a desk-side help menu for accessing accounts via C.A.R.E.

Certification. The act of attesting to the legality, propriety and correctness of a document for payment as provided for in 31 USC 3528.

Company. Under the Corporate Payment System, the Approving Official is referred to as “the company”, meaning that this is the activity that receives the bill or official invoice.

Construction. Construction, alteration, or repair (including dredging, excavating, and painting) or buildings, structures, or other real property.

Delegation of Authority. This delegation, issued by the Directorate of Contracting to the cardholder, specifies the authority being delegated to the cardholder and any limitations to that authority. See Attachment 3 for a sample delegation of authority.

Designated Paying Office. The Fort Dix Vendor Pay Cell is the office responsible for paying the official invoices received from the Approving Officials. The Paying Office address is:

Department of the Army
US Army Fort Dix
ATTN: AFRC-FA-RMM (Vendor Pay Division)
POCs: Gloria Pinckney/Linda Quinones/Ingrid Welsh
Telephone Numbers: 609-562-2257/2620/2621

Directorate of Contracting (DOC). The office of primary responsibility for management of the IMPAC program.

I.M.P.A.C. An acronym that stands for “International Merchant Purchase Authorization Card.” These initials will also appear on forms and cards provided by U.S. Bank.

Note: The IMPAC card is a VISA card.

Official Invoice. A document requesting payment to be made to the Government purchase card contractor (the bank). The official invoice, also called the ***billing statement***, covers one Approving Official and one or more cardholders per billing period. The official invoice is certified for payment by the purchase card-certifying officer.

Purchase Card Certifying Officer. A DOD military member or civilian of the Department of the Army appointed in writing to certify the official invoice (billing statement) for payment. The ***Approving Official*** (a.k.a. Billing Official) will be the designated Purchase Card Certifying Officer by issuance of a letter of appointment by the Fort Dix Directorate of Contracting or its Forward Support Cells, and completion of a signature card (DD Form 577). The Approving Official’s certification functions include:

1. Verifying transactions meet legal requirements for authorized payments.
2. Verifying that adequate documentation is available for individual transactions.
3. Taking appropriate action to prevent two or more payments for the same transactions.
4. Implementing correct dispute procedures when transactions are questioned.
5. Issuing a certification statement to the payment office.

Statement of Account (SOA). The Statement of Account is the monthly listing of all payments authorized for purchase and credits made by the cardholder and billed by the merchant. (See Attachment 4 for sample of a Statement of Account).

Supply. An item or commodity, which when purchased is owned by the Government. It does not include real property such as buildings or land.

Service. A contract that engages the time and effort of a contractor whose primary purpose is to perform an identifiable task rather than furnish an end item of supply. Examples include maintenance, repairs, housekeeping, rentals, subscriptions, advisory/assistance services, operation of equipment, catering, etc.

U.S. Bank. Formerly known as Rocky Mountain Bank. This is the contractor who maintains all IMPAC accounts, issues cards to cardholders, sends monthly statements of account to cardholders and Approving Officials, and provides various reports to the Agency Organization Program Coordinator.

C. SETTING UP THE IMPAC ACCOUNT

U.S. Bank will provide the Agency Organization Program Coordinator with all the necessary cardholder and Approving Official Account Set-Up forms. The AOPC will distribute nomination forms (see Attachment 4) to customers for completion. Once a cardholder has been identified by a commander or director, that office will return the completed nomination form to the AOPC for processing. After credit card training has been completed, the AOPC will submit the completed nomination form to U.S. Bank which will establish the new account. The card will be mailed to the cardholder within 5 working days after the application is received by U.S. Bank. The cardholder will activate the card upon receipt by calling the 1-888-99-IMPAC (1-888-994-6722) number on the card. When making this phonecall, the cardholder must know his/her single purchase limit, monthly limit, and Approving Official in order to complete card activation.

D. DELEGATION OF AUTHORITY

The Directorate of Contracting may delegate authority to make purchases for supplies and services up to \$2500.00 (and construction up to \$2000) to individuals who have a need for such authority. Directorate of Contracting personnel have authority up to \$100,000.00.

E. AUTHORIZED USE OF THE CREDIT CARD

The unique IMPAC Visa card received by the cardholder has his/her name embossed on the card and may be used only by that cardholder. ***NO OTHER PERSON IS AUTHORIZED TO USE THE CARD.*** The card was specifically designed showing the Great Seal of the United States and the words “United States of America” imprinted on it to avoid being mistaken for a personal credit card.

When issuing this card to a cardholder, authorization codes will be established by the Agency Organization Program Coordinator and Approving Official and will be incorporated into the card. Under normal circumstances, merchants are required to obtain authorization from U.S. Bank for purchases over \$50.00. However, many merchants now use electronic authorization methods allowing them to obtain authorizations for all purchases, regardless of the amount of purchase. When authorization is sought by the merchant, U.S. Bank’s authorization system will check each individual cardholder’s single purchase limit, the 30 day monthly limit, the Approving Official’s 30 day office limit, and the type of merchant where the cardholder is making the purchase before authorization for the transaction will be granted. In other words, your card will be rejected if the purchase exceeds \$2500.00, if the total amount of the purchases exceeds the cardholder’s 30 day limit, if the purchase exceeds the Approving Official’s 30 day office limit, or if the purchase is made at an establishment not authorized by the card.

Use of the card must meet the following conditions:

1. The total of a single purchase to be paid for using the card may be comprised of multiple items but the total of the purchase cannot exceed the authorized single purchase limit. ***SCENARIO: After checking mandatory sources unsuccessfully, you go to Office Max to buy office supplies. You purchase 2 pens, 3 reams of paper, 6 boxes of manila folders, 4 briefing charts, 10 boxes of transparencies, 5 staple removers, and 4 boxes of scotch tape refills. The total of the purchase is \$65.00. This is considered a single purchase of multiple items, and the single purchase limit of \$2500.00 is not exceeded. This is a proper purchase.*** Purchases will be denied if the authorized single purchase limit is exceeded. Payment for purchases is not to be split in order to stay within the single purchase limit.
2. Purchases of \$2500 or less are considered to be micro-purchases and may be accomplished without securing competition if the prices paid are considered to be fair and reasonable. However, noncompetitive purchases are to be distributed equitably among qualified suppliers. If practical, a price quotation from other than a previous supplier should be solicited before placing a repeat order with the previous supplier. **NOTE:** Competition should always be sought when there is doubt that a fair and reasonable price is being paid. If in doubt, secure competition to establish a fair and reasonable price. See Attachment 6 for a suggested competition worksheet.
3. All items purchased should be immediately available. Immediately available means available for shipment or pickup on the same or next day. ***NO BACKORDERING IS ALLOWED.***
4. All items purchased by telephonic or mail order should be delivered in a single delivery by the merchant. ***NO PARTIAL SHIPMENTS ARE ALLOWED.*** The order should not be placed without the assurance that a single delivery can and will be made. ***Merchants should be advised that they are not to invoice until all items are shipped.***
5. When purchasing an item by phone or over the counter, the cardholder should inform the merchant that the purchase is for official U.S. Government purposes and therefore is not subject to state or local taxes. ***UNCLE SAM COLLECTS TAXES, HE DOES NOT PAY TAXES!!!!*** The IMPAC Visa Credit Card is imprinted with the words “U.S. Government Tax Exempt” for additional clarification.

A NOTE ABOUT TAX EXEMPTION

The Federal Government is tax exempt in accordance with the Supremacy Clause of the United States Constitution. However, you may still run into situations where a merchant tries to charge state tax. Attached to this SOP (Attachment 7) are the tax exempt statements for all 50 states. These can be provided to merchants who try to charge the state tax to your purchase.

6. Accountable property items may be purchased only after the supporting property book officer submit internal written procedures, including property accountability safeguards, and receiving concurrence from the Directorate of Contracting.

7. IF THE ABOVE CONDITIONS CANNOT BE MET, THE REQUIREMENT SHOULD BE SENT TO THE DIRECTORATE OF CONTRACTING FOR PURCHASE.

<p><i>Conditions for Card Use at a glance.....</i></p> <ul style="list-style-type: none"> • Total purchase cannot exceed single purchase limit. • Ensure that prices paid are fair and reasonable. File should be documented on how this determination was made. • No backordering allowed. • No partial shipments allowed. • Government purchases are tax exempt. • Purchases shall not be split to circumvent the single purchase limit. • Check Mandatory Sources of Supply. • Prior approvals shall be obtained for ADPE, Construction. • Obtain Safety Officer input prior to HAZMAT purchases. • Obtain hand receipts for accountable property.

F. SPECIAL PURCHASING REQUIREMENTS.

1. Required Priority of Sources (FAR PART 8).
 Before reaching a decision to use commercial sources, the Cardholder (assisted by the supporting supply chain) must determine if mandatory sources meet the need.
Micropurchases using the IMPAC card are not exempt from the requirement to use mandatory sources of supply.
 The Cardholder will screen the following four sources, in order of priority, to satisfy the purchase requirement:

- Activity/installation inventories;
- Federal Prison Industries (FPI or trade name UNICOR);
- National Industries for the Blind/Severely Handicapped (NIB/NISH);
- Wholesale supply sources (e.g. GSA, DLA, etc.)

NOTE: Stock fund by-pass is not authorized for inventory managed items; however, when the supply system does not offer the best value in terms of time, cost or quality for the required item, the Defense Acquisition Regulation Supplement (DFARS) authorizes organizations to by-pass inventory managers and procure supplies from commercial sources (after first checking to see if the other mandatory sources of supply can meet your need).

The following information is provided to assist you in locating sources that can supply required products and services:

- *Committee for Purchase From People Who are Blind or Severely Handicapped*, visit their web site at www.jwod.gov or call (703) 603-7740.

- *National Industries for the Blind*, visit their web site at www.nib.org or call 800-433-2304.
- *National Industries for the Severely Handicapped*, visit their web site at www.nish.org or call (703)560-6800.

- *GSA Federal Supply Schedules*, visit their web site at <http://pub.fss.gsa.gov/Sched/index.html> or call 888-FSS-0070.
- *GSA Stock Program*, visit GSA Advantage at <http://www.fss.gsa.gov> or call 800-525-8027 or fax your order to 800-856-7057.
- *Federal Prison Industries, Inc.*, visit their web site at www.unicor.gov or call 800-827-3168.
- For any questions regarding GSA's Products or Services call the National Customer Service Center (NCSC) AT 800-488-3111 or DSN 465-1416.

2. **Property Accountability.** Recent changes have raised the threshold for property requiring a hand receipt as follows: non-fixtures over \$2500, and all items designated as classified. The Property Book Officer will be a qualified resource for determining if items have to be entered into the Property Book. After purchase, Cardholders must obtain hand receipts for accountable material. The Approving Official shall review Cardholder files to ensure that property hand receipts have been obtained for accountable property.

3. **Automated Data Processing Equipment.** Prior approval of ADPE is required. For example, the DOIM/DCSIM reviews purchases of ADPE to ensure compatibility with system architecture and to determine whether the intended purchase is appropriate or if there is excess property available to satisfy customer needs.

4. **Hazardous Material.** There are valid concerns for personnel safety and environmental protection. Prior to the purchase of hazardous material, a technical review must be conducted by the organizational safety officer. The safety officer is charged with controlling the types of hazardous materials being purchased and where/how specific types of hazardous materials are being stored.

5. **Construction.** It is always wise to check with your engineers before making a construction purchase. Your engineers are responsible for the master planning for your facility and can advise you whether your project conforms to the master plan.

G. UNAUTHORIZED USE OF THE CARD.

The Government credit card shall **NOT** be used for the following:

1. Cash advances;

2. Rental of lease of land or buildings;
3. Purchase of airline, bus, train, or other travel-related tickets, unless authorized by the agency;
4. Purchase of meals, drinks, lodging, or other travel or subsistence costs.
NOTE: Purchase of catered meals for Reserve Training is acceptable;
5. Purchase of gasoline or oil for Interagency Fleet Management Vehicles;
6. Repair of Interagency Fleet Management Vehicles;
7. Purchase of telecommunication services (cellular phone service, pager service, etc.) without the prior written approval of the DOIM/DCSIM.
8. Purchase of telecommunication equipment and repairs, without the prior written approval of the DOIM/DCSIM;
9. ADP hardware and software, without the prior written approval of the DOIM/DCSIM;
10. Repetitive janitorial, yard, and maintenance services, other than repair services requested on an “as-needed” basis.
11. Personal clothing or footwear, except in emergency situations when required for safety, or when authorized by the agency;
12. Printing or copying services;
13. Construction services in excess of \$2000, including repairs to real property.
NOTE: Painting is considered to be a construction service.

WORTH REMEMBERING: A Cardholder who makes unauthorized purchases or carelessly uses the card may be liable to the Government for the total dollar amount of unauthorized purchases made in connection with the misuse or negligence. Also, the Cardholder may be subject to disciplinary action for unauthorized or careless use.

H. CREDIT CARD TRAINING

Individuals who have not taken formal basic procurement training must receive formal training or on-the-job orientation/training in basic procurement practices prior to

receipt of a credit card. The orientation/training may be provided by a Contracting Officer, senior procurement official, or the Agency Program Coordinator. The Agency Program Coordinator will provide information and basic instruction on how to use the card to cardholders and Approving Officials in accordance with FAR Part 13 and any supplements thereto. All cardholders and Approving Officials shall read and be familiar with the requirements of this internal agency Standard Operating Procedure and other applicable regulations. Prospective cardholders and Approving Officials shall complete agency training and receive a certificate of training prior to their applications for a credit card being forwarded to U.S. Bank.

I. STANDARDS OF CONDUCT

Cardholders and Approving Officials hold a public trust; their conduct must meet the highest ethical standards. All agency employees shall use the credit card to purchase supplies/services/construction only within the guidance of the program. Cardholders and Approving Officials acknowledge that making false statements on credit card records may result in their removal from Federal Service. The Government may punish wrongdoers by fine, imprisonment, or both, as stated in Section 1001, Title 18 United States Code. Unauthorized use shall have the meaning set forth in footnote 22, Section 226.12, Title 12 Code of Federal Regulations. “Unauthorized use means the use of a credit card by [any] person, [including] the cardholder, who does not have actual, implied or apparent authority for such use and from which the [Government] received no benefit.”

J. DOLLAR LIMITS ASSOCIATED WITH THE CARD

Use of the credit card by a cardholder is subject to a single purchase limit, a monthly cardholder limit, and a monthly office limit. The definitions of these dollar amounts is as follows:

1. **Single Purchase Limit.** The single purchase limit is a limitation on the procurement authority to the cardholder by the Directorate of Contracting. When using the card, a “single purchase” may include multiple items; however, no single purchase may exceed the authorized single purchase limit established for each cardholder. Single purchase limits may be assigned to cardholders in \$50 increments up to, but not exceeding, \$2500.00. **SCENARIO: *The Office of Pooper Scooper Procurement, Department of the Interior, has 3 credit card holders. The Approving Official, Bernie Dingdong, has determined that Stella Sunshine will do the majority of purchasing for the office, and has requested a \$2500 single purchase limit for her. Stella’s primary backup, Alfie Doom n’ Gloom also has a \$2500 limit. Stella and Alfie usually take their vacations during the month of January, an historically slow pooper scooper month. But Bernie, being a forward looking kind of guy, wants to ensure that pooper***

scooper purchasing can continue, if necessary, in January, so he has assigned Kutie Kinkade to be the backup for the primary purchasing team with a \$1500 single purchase limit.

2. **30 Day Purchase Limit.** The monthly cardholder limit is a budgetary limit assigned by the Approving Official. The Approving Official shall coordinate with their budget office when determining the monthly limit for the cardholder. The total dollar value of purchases when using the card for a single month should not exceed the monthly purchase limit set by the Approving Official. The Approving Official, with budget concurrence, may request the Agency Program Coordinator to raise the monthly cardholder limit. The 30 day purchase limit coincides with the billing cycle and is renewed with the beginning of the next billing cycle. **SCENARIO:** *Bernie Dingdong didn't get as far as he has in the Civil Service without knowing the pooper scooper business. He has charted pooper scooper requirements for the past two decades and knows that Stella will need a monthly limit on her credit card of \$30,000. Alfie, as her primary backup, has been given a monthly limit of \$10,000. Kutie, because she will really only need to use her card in January, is held to a \$1500 monthly limit. Bernie coordinated these limits with his budget folks to ensure that funding was available.*

3. **30 Day Office Limit:** The monthly office limit is a budgetary limit established by the Budget Officer for each Approving Official. The limit established by the Budget Officer shall not be less than the sum of the Approving Official's cardholders' monthly purchase limits and should reflect spending history as well as budgetary trends. The total dollar value of purchases using the card shall not exceed the established monthly office limit.. The 30 day office limit coincides with the billing cycle and is renewed with the beginning of the next billing cycle.. **SCENARIO:** *In his entire career Bernie Dingdong hasn't seen anything like this!!!! The new regulations coming down from the Office of Pooper Scooper Policy have resulted in an explosion in the need for pooper scoopers. In the first month of the new policy Stella and Alfie have logged 60 hours in overtime buying pooper scoopers with their credit cards. Even Kutie has had to use her card, and it isn't even January!! On the 21st of the month Stella received a requirement for another 1367 scoopers. But there is trouble in paradise. The merchant she has counted on to provide the canine cleanups is telling her that her card won't process through the bank. A panic call to RMBCS results in the discovery that the monthly office limit of \$41,500 will be exceeded with this new order. What to do!!!!?#*? Bernie is consulted!! He huddles with his budget gurus. All are agreed that for the good of the nation's lawns and pooch paths, pooper scooper buying must continue. Bernie calls his Agency Program Coordinator and requests an increase in his cardholders' monthly purchase limit, as well as an increase in his 30 day office limit. The stalwart Agency Program Coordinator swings into action and calls the increase into the bank. The purchase can now go through; crisis is averted; and the lawns and byways of the nation will continue to clean for joggers, strollers, and Frisbee players. Oh glorious day!!!*

K. APPROVING OFFICIAL RESPONSIBILITIES

1. The Approving Official will successfully complete credit card training administered by the Directorate of Contracting. The Approving Official is responsible for *and must pre-approve* all credit card transactions of all cardholders under his/her cognizance.

2. The Approving Official shall establish and submit to the Directorate of Contracting internal control procedures designating responsibilities and specific procedures. The submission of the internal SOP shall be accomplished with fifteen (15) working days after training and appointment. The SOP should be forwarded to the Agency Program Coordinator. This internal SOP should form a part of the administrative files of each cardholder and should address the following issues:

- a. Identification of cardholders under his/her cognizance.
- b. Specific procedures for Approving Official and budget approvals of purchases.
- c. Card Security (where kept, how protected, etc.).
- d. Types of purchases to be made.
- e. End of billing cycle procedures.
- f. Contingency plans to meet reconciliation deadlines in the absence of the cardholder.
- g. Self inspection schedule.

3. **Certifying Official:** The Approving Official also functions as the Purchase Card Certifying Official (PCCO). In this capacity, the Approving Official is appointed in writing to certify the official invoice (the Billing Account Statement) for payment. The Purchase Card Certifying Official is liable for an illegal, improper, or incorrect payment processed as a result of an inaccurate or misleading certification. The PCCO appointment shall be accomplished by issuance of a letter of appointment and completion of a Signature Card (DD Form 577). The appointment letter and DD Form 557 specifically shall identify the types of payments to be certified. Samples of an appointment letter and a signature card are at Attachment 8. The completed PCCO letter of appointment and DD Form 577 will be forwarded to the Agency Organization Program Coordinator prior to the individual’s appointment as an Approving Official. Specifically, a Purchase Card Certifying Official is responsible for:

- a. Ensuring that the credit card transactions meet the legal requirements for authorized purchases.
- b. Ensuring that adequate documentation is available for individual transactions.
- c. Ensuring that the facts presented in documents for payment are complete and accurate.
- d. Taking appropriate action to prevent two or more payments for the same transaction.
- e. Proper implementation of dispute procedures when transactions are questioned.
- f. Certifying and forwarding to the paying office for payment, the official invoice, including certification statement. A sample certification statement is included at Attachment 6.
- g. Working with U.S. Bank IMPAC Government Services to resolve payment issues. **NOTE: This is the responsibility of the Certifying Official, NOT the Agency Organization Program Coordinator.**

4. Should a cardholder leave the unit/organization for any reason, the Approving Official shall ensure that the bankcard is immediately destroyed and a cancellation memo forwarded to the Agency Organization Program Coordinator.

5. It is the Approving Official's responsibility to call the Agency Organization Program Coordinator (*after coordination with the budget official*) to either reduce or increase the unit/organization's or the cardholder's monthly limit. This call must be followed up with a memo, through the supporting budget analyst.

L. CARDHOLDER RESPONSIBILITIES

1. The cardholder shall successfully complete credit card training administered by the Directorate of Contracting. The cardholder has total accountability for the use of the credit card issued in his/her name. ***No other person is authorized to use the card or the card number. Should a cardholder delegate his/her authority by allowing another individual to use the card, the cardholder is subject to discipline.***

2. The cardholder shall ensure that funding has been set-aside for the credit card before any credit card purchases are made.

3. The cardholder shall ensure that use of the credit card adheres to all applicable parts of the Federal Acquisition Regulation, Defense Federal Acquisition Regulation Supplement, Army Federal Acquisition Regulation Supplement, Directorate of Contracting Standing Operating Procedures, and all other regulations and procedures governing use of the commercial credit card. A violation or abuse of these regulations and/or procedures may result in immediate suspension of credit card privileges. In addition, unauthorized purchases may result in personal liability to the U.S. Treasury and disciplinary action.
4. It is the responsibility of the cardholder prior to purchasing supplies/services/construction with the credit card, to first determine if the supply/service/construction is regulated by, or requires authorization from an organization such as the Directorate of Logistics/DCSLOG, Directorate of Information Management/DCSIM, Training and Audio Visual Support Center (TASC), Directorate of Public Works/DCSENG, etc.
5. The cardholder shall ensure that purchases are not broken down/split into separate purchases to circumvent the delegated single purchase dollar threshold.

SPLITTING REQUIREMENTS . . . A NO, NO !!!!!

1. Federal Acquisition Regulation (FAR) 13.602© states that “requirements aggregating more than the micro-purchase threshold [\$2500.00] SHALL NOT be broken down into several purchases that are less than the threshold merely to permit purchase.” Army FAR Supplement (AFARS) 13.9003 states that “purchases SHALL NOT be split in order to stay within the single purchase limit.”

2. What is an improper split purchase? It generally involves the willful reduction of a requirement which could be purchased from the same merchant or vendor in an effort to keep the total price of the purchase at or below the cardholder’s single purchase limit.

3. To determine if a requirement was split, one must determine what the requirement was at the time of purchase. If a cardholder typically purchases items when (s)he becomes aware of the need, the requirement is considered an instant requirement or need and is NOT splitting purchases. *HOWEVER* !!!!! If the cardholder waits to purchase, the requirement becomes the total needs received up to the point of ordering, *regardless of what is being ordered and by whom*. Splitting those needs (requirements) into individual purchases is *IMPROPER* unless no one vendor has the capability to satisfy the full requirement.

6. The cardholder shall ensure that mandatory sources of supply are checked prior to making the purchases commercially.
7. The cardholder shall initiate a follow-up to ensure that the supplies/services are received/completed in the time agreed upon.
8. The cardholder shall ensure that once the supplies/services are received (or picked up)/completed, all applicable documentation is included in the cardholder's file.
9. The cardholder shall ensure that items that need to be returned, for whatever reason, are documented in the cardholder's file with all circumstances surrounding the return. A credit shall be requested from the vendor and the cardholder's account shall reflect that credit by the next billing cycle. Also see procedures for Billing Errors and Disputes.
10. When the monthly Statement of Account is received, the cardholder shall verify and reconcile the Statement of Account IAW SOP instructions entitled "Reconciling the Monthly Statement of Account."
11. Should there be any incorrect or improper charges on the Statement of Account, it is the responsibility of the cardholder to immediately contact the vendor and work out the solution of correcting the improper charge. This conversation and resolution shall be annotated and placed in the file. When subsequently reconciling the Statement of Account, follow the procedures in the "Disputes Procedures" section of this SOP.
12. If purchased items or credits are not on the statement, the documentation shall be retained by the cardholder until the purchase or credit appears on the next statement. If the transactions do not appear on the next billing cycle (Statement of Account), the cardholder shall contact the vendor and resolve the issue.

M. CARDHOLDER DOCUMENTATION PROCEDURES.

Anytime a purchase is made using the credit card, whether it is done over the counter or by telephone, documentation should be retained as a record of the approval and decision-making process, as well as proof of purchase. These documents will later be used to verify the purchases appearing on the monthly Statement of Account.

1. The Cardholder shall maintain a log of all purchases which indicates prior approval of the purchase or order by the Approving Official. This log shall also function as a declining "check-book" accounting system for managing the monthly, quarterly, semi-annual, or annual bulk funding. (See Attachment 9 for a sample log, the FD Form 2221-R.)

2. Credit card files shall contain documentation for all decision-making processes, e.g. fair and reasonable price determinations, sole source determinations, etc.

3. When a purchase is made over the counter, the Cardholder shall document the transaction on the log and obtain the customer copy of the charge slip, which will become the accountable document. Make sure the carbon copies are destroyed.

4. When making purchases over the phone, the Cardholder shall document the transaction on the log, pick up items, or arrange for delivery. If delivery is made by the vendor, the Cardholder shall obtain the shipping documents and/or delivery tickets and attach them to the other documents associated with the order.

5. The Cardholder shall prepare a written statement when supporting documentation is missing for a purchase. The statement will include the vendor's name, description of the item, date of purchase, and an explanation of why there is no supporting documentation. The statement shall be signed by the Cardholder and the Approving Official.

6. Furnish sufficient documentation, as necessary, to the budget analyst or Resource Manager, for tracking of actual monthly expenditures. What constitutes sufficient documentation should be coordinated with the budget office.

WORTH REMEMBERING: Credit card files are subject to audit by the Approving Official or his/her representative, Internal Review, the Army Audit Agency, the Agency Organization Program Coordinator, etc. Ensure that all files contain a clear audit trail. See Attachment 10 for a sample file audit checklist used by the Agency Organization Program Coordinator.

N. RESOURCE MANAGEMENT RESPONSIBILITIES

1. **Funding Method.** Resource Managers will fund purchase card purchases using the Bulk method as directed by ASA FM Memorandum 16 September 1996 and ASA FM Memorandum 24 January 1997. The bulk method requires that a specific fund reservation (obligation or formal commitment) be posted to the official accounting records prior to payment of the invoice. Bulk funding may be made in monthly, quarterly, semi-annual, or annual increments as is appropriate to the funding environment of the activity. Generally, micro-purchases using the Government-wide commercial purchase card will directly cite the ultimate consumer funds.

The Resource Manager will, in coordination with the Command, determine the Cardholder's thirty-day spending limit and the Approving Official's credit limits, then use these limits to budget for purchase card purchases. Tenant organizations will be provided with purchase cards citing the tenant's direct funds to reduce administrative workload associated with reimbursing the host for these procedures.

RM Responsibilities at a glance.....

- Advance reservation of funds (bulk funding) for all cards.
- One line of accounting to be used per card.
- The accounting classification must be entered on the Master Accounting Code field when setting up new or existing Cardholder Accounts.

The Resource Manager will assign a single accounting classification for each cardholder’s account number. Only one basic symbol will be used on each card to provide an adequate audit trail for future interest payments, discounts, and rebates. The accounting classification will be entered in the Master Accounting Code field on the purchase card account set-up or account maintenance information form. This will allow the accounting classification to be automatically reflected on the cardholder’s Statement of Account.

A total of 75 characters is available in the Master Accounting Code field to accommodate the fund citation. The fund citation will be entered in this field as follows:

<u>POSITION</u>	<u>LENGTH</u>	<u>DATA ELEMENT</u>
1-2	2	Department
3	1	Fiscal Year (fill in with an asterisk)
4-7	4	Basic Symbol
8-11	4	Limit/Subhead
12-13	2	Operating Agency (OA)
14-17	4	Allotment Serial Number (ASN)
18-21	4	Element of Resource (EOR)
22-35	14	Standard Document Number (SDN)

NOTE: The SDN shall be configured as follows:

(1) The word IMPAC

(2) Four asterisks which will be filled in by the Statement of Account Date, e.g. a statement for October would be filled in as follows: 1023

(3) The first five letters of the cardholder’s last name. If the last name consists of less than five letters, fill in using “X”

EXAMPLE: The SDN for a cardholder named Foster would be:
IMPAC****FOSTE

The SDN for a cardholder named
Lee would be:
IMPAC****LEEXX

36-39	4	Account Processing Code (APC)
40-44	5	Local Use or 5 Zeros
45-50	6	Fiscal Station Number (FSN)
51-75	25	Local use

NOTE: ANY CARDHOLDER NOMINATION FORM RECEIVED WITHOUT A FUND CITE IN THIS CONFIGURATION WILL BE RETURNED WITHOUT ACTION UNLESS IT IS NOTED THAT THE CARDHOLDER’S ORGANIZATION HAS RECEIVED AN EXEMPTION TO THE SINGLE LINE OF ACCOUNTING PROCEDURE. REQUESTS FOR EXCEPTION TO THIS POLICY MAY BE REQUESTED BY SUBMITTING A WAIVER REQUEST TO HQ, DEPT OF THE ARMY THROUGH YOUR MAJOR COMMAND.

2. **Allocation of Funds.** Appropriations without formal commitment accounting will post estimated obligations for each cardholder equal to that cardholder’s monthly spending limit multiplied by the number of months being obligated. Appropriations with formal commitment accounting will record the spending limits as commitments and will post purchases as obligations prior to payment of the Billing Statement.

3. **Payment of Interest.** Although there should not be late payments Resource Managers shall provide a fund cite to the paying office against which prompt payment interest can be charged. The Prompt Payment Act requires that Services pay Billing Statements within 23-30 days of receipt. If this payment is not made, the Service must pay the bank interest on the unpaid balance. The business practices described in this SOP should create an environment where payments are made within or before the 23-30 day window. However, if payments are not made on time, DFAS will compute and assess an interest penalty payment and charge this interest to an account provided by the Approving Official’s Resource Manager. The Resource Manager must identify this account at the time the Approving Official’s account is established.

A NOTE ABOUT THE PROMPT PAYMENT ACT

A recent change in the prompt payment act allows payment of the Billing Account Statement sooner than the 23rd day after the date of the invoice. When the payment is made early, Approving Official accounts are eligible for a rebate from U.S. Bank.

O. USING YOUR IMPAC CARD - THE PURCHASING PROCESS

1. **Over the Counter Transactions:** Once you have selected your purchase, present it with your card to the merchant. **Advise the merchant that your purchase is tax exempt.** If the merchant questions the tax exempt status of your card, provide him with a copy of the state tax exempt declaration contained in your SOP.

Mail or Telephone Order Purchases: When placing a mail or telephone order, you will be asked to provide your name, card number, expiration date, and an address. **Advise the merchant that your purchase is tax exempt. Also ensure that the merchandise you are buying is in stock or can be received within 30 days. Advise the merchant that you require a single delivery and that they are not to invoice until all items have been shipped.** The address provided, when asked, should be your mailing address where your Cardholder Statement of Account is received. If you are shipping the merchandise to a location other than your statement mailing address be sure to inform the merchant, otherwise your transaction may be declined when the merchant attempts to obtain approval.

2. When an approval code is received, in an over-the-counter purchase, the merchant will request that you sign the sales slip or sales draft. Before you do, **verify that the dollar amount is correct and that no sales tax has been included.**

3. You will be provided one copy of the signed sales draft in an over-the-counter purchase. You will need to request the draft be sent to you with the order in the case of a telephone or mail order purchase. This draft should be kept and verified against your Statement of Account and attached to your Statement of Account when forwarding to your Approving Official.

4. **Troubleshooting a declined transaction.** Occasionally, a transaction may be declined at the merchant location. The merchant is not provided a reason, but is either told only that the purchase is declined, or is asked to verify additional identification. This is called a referral inquiry. Consider the following:

- a. Is the transaction amount within you single purchase limit?
- b. Will the transaction amount exceed you 30 day limit or the 30 day office limit of your Approving Official?
- c. Is this a merchant at which your agency has authorized you to make purchases?
- d. If this is a telephone or mail order transaction, has the merchant used the correct expiration date of your account?

- e. Did you give a complete billing address?
- f. Have there been over 9 purchases on the day of the referral?

P. BILLING STATEMENT RECONCILIATION PROCEDURES.

1. *Step 1:* The Billing Cycle ends on the 23rd of the month.
2. *Step 2:* The bank will mail the Billing Statement to the Approving Official and the Statement of Account to the cardholder on the 2nd business day after the end of the billing cycle.
3. *Step 3:* The Billing Statement and the Statements of Account should be received by the 7th business day after the end of the billing cycle. **NOTE:** If either the Billing Statement or the Statement of Account is not received by the 10th business day after the end of the billing cycle, action must be taken with the bank to get a copy of the missing document.

AO Responsibilities at a glance <ul style="list-style-type: none">• Date Stamps Billing Statement on date received.• Certifies the Billing Statement.• Forwards Billing Statement to Paying Office in time to be received by the 15th calendar day.• Pays for disputed items while CSQI is being resolved.• Retains documentation for 3 years.• Has pecuniary liability.

4. *Step 4:*
 - (a) Approving Official: The Approving Official dates stamps the Billing Statement with the date received. **NOTE:** If the Approving Official does not clearly identify the date of receipt on the Billing Statement, the Prompt Payment Act requires the payment office to use the statement date as the assumed date of receipt. In many cases this will result in the payment not being made within 30 days and interest penalties will be assessed.
 - (b) Cardholder: The cardholder verifies all the information on the Statement of Account. A description of items purchased on each transaction will be entered on the Statement of Account unless, for example, there is an itemized receipt available. **Procedures for disputed charges are explained in the paragraph entitled “Dispute Procedures”.**

5. *Step 5:* The cardholder signs the Statement of Account, attaches all receipts or other supporting documentation (e.g. phone records, packing slips, cash register receipts, etc.), annotates that hand receipts have been issued as required (e.g. an item designated as sensitive), and forwards the packet, **within 5 days after receipt of the Statement of Account**, to the Approving Official. If a charge is not considered to be valid, the cardholder implements dispute procedures. The cardholder still signs the Statement of Account , but annotates discrepancies that are expected to be resolved or attaches a copy of the Cardholder Statement of Questioned Item form

(CSQI). **Disputes shall not impede the timely reconciliation of the Statement of Account to the Approving Official.**

NOTE #1: In cases where the cardholder will not be available to perform the reconciliation (i.e., vacation, TDY, sick leave, mobilization, etc.), it is the cardholder's responsibility to notify the Approving Official and arrange for the reconciliation to be performed by the Approving Official or a designated alternate. If satisfactory arrangements cannot be made, the Approving Official must still certify the Billing Statement but may direct a specific individual reconciliation after the cardholder returns.

NOTE #2: In cases where the cardholder does not have the Statement of Account available (e.g., the SOA did not arrive or is lost), the same information is available on the Approving Official's Billing Statement. Reprints of lost statements are also available from the bank.

NOTE #3: Cardholders who consistently fail to perform reconciliation or who fail to maintain adequate documentation may have their accounts canceled and purchasing privileges revoked.

6. **Step 6:** The Approving Official reconciles the Billing Statement against the Cardholder Statements of Account and supporting documentation. Specifically, the Approving Official:

- Ensures that transactions meet legal and mission requirements for authorized purchase card purchases.
- Ensures that adequate documentation is available for individual transactions.
- Ensures that the facts presented in documents for payment are complete and accurate.
- Ensures that property hand receipts have been obtained for accountable property.
- Takes appropriate action to prevent two or more payments for the same transaction.
- Ensures that dispute procedures are properly implemented when transactions are questioned.
- Certifies that purchases are correct and were needed to fulfill mission requirements.
- Certifies that purchases do not exceed spending limits coordinated with and approved by the Resource Manager.
- Certifies that purchases are not for personal use.

- Certifies that purchases are not items that have been specifically prohibited by the organization or by statute.
- Certifies that purchases are not part of a system or larger purchase exceeding \$100,000 in value.
- Certifies that purchases have not been split into smaller segments to stay under the micropurchase limit.

7. *Step 7:* The Approving Official signs the Cardholder’s Statement of Account.

8. *Step 8:* The Approving Official annotates the amount of payment being certified on the first page of the Billing Account Statement (see front page of the Statement, that portion which reads: ** Amount Paid” \$_____), signs the certification statement on back of each page of the Billing Account Statement, ensures that all accounting lines are correct (by ensuring that all asterisks are correctly filled in) and forwards the certified Billing Account Statement to the paying office. **THE APPROVING OFFICIAL’S CERTIFIED BILLING ACCOUNT STATEMENT MUST BE RECEIVED BY THE PAYING OFFICE NOT LATER THAN THE 15TH CALENDAR DAY AFTER RECEIPT OF THE BILLING STATEMENT FROM THE BANK.** Failure to adhere to this timeline may result in an interest penalty being assessed to the Approving Official’s Prompt Payment Act line of accounting.

9. *Step 9:* The Approving Official retains a copy of the certified Billing Statement and each original Statement of Account (with receipts and supporting documentation) for a period of three years.

SOME HELPFUL HINTS ON CORRECTLY COMPLETING THE BILLING ACCOUNT STATEMENT

1. In most cases the amount you will be certifying on a monthly basis is the dollar amount annotated next to the “current billing activity” entry on the Billing Account Statement.

2. U.S. Bank Billing Account Statements are designed based on a balance forward system. If there is a dollar amount annotated next to the “previous payment” entry on the Billing Account Statement, this is an indication that the bank has not yet received payment for a previous month or months. Because the cycle date for the IMPAC card is not the same cycle date for the Prompt Payment Act you may see a dollar amount next to this entry on most months. It does not necessarily mean that past months’ bills have not been paid; it may only mean that the

bank has not yet received a check. Don't automatically certify the previous month's amount. You may be certifying for double payment. Check with your vendor pay office first to make sure that past payments are in the pipeline. If this is the case, do not include the previous balance in the amount you are certifying for the current month.

3. If the Billing Account Statement indicates that you have credit(s) owed to you, spend them by subtracting the amount of the credit(s) from the current billing activity. To ensure that your vendor pay recognizes what you have done, a short note on the face of the Billing Account Statement would be helpful.

4. Sometimes the bank will post a credit balance reversal (CRDT BAL REV) in the itemized purchase section of the Billing Account Statement. This is an internal method used by the Bank to cope with a payment error received from the Government Disbursing Office. *THIS AMOUNT IS NEVER TO BE CERTIFIED FOR PAYMENT !!!!!!!*

5. Do NOT send payment to the remittance address on the front page of the Billing Account Statement. Payment is forwarded to the Designated Paying Office, page 3 of this SOP.

Q. APPROVING OFFICIAL LIABILITY.

The act of certifying that the Billing Statement is proper for payment makes the Approving Official pecuniary liable. Approving Officials area liable for an illegal, improper, or incorrect payment due to an inaccurate or misleading certification. Consequently, Approving Officials who **knowingly** make a false certification could be asked to repay the Government for the items purchased.

R. LATE PAYMENTS/PURCHASE CARD SUSPENSION POLICY.

1. DOD policy is to pay its invoices on a timely basis. Under the contract with GSA, U.S. Bank will suspend Approving Official Accounts when they go 60 days past due (90 days past the billing date). When an Approving Official's account is suspended, all the cards underneath that Approving Official are suspended.

2. Before suspension, the bank will notify Approving Official of the pending suspension. The accounts will remain suspended until brought up to date with outstanding invoices. At that time, accounts will automatically be reinstated. Accounts suspended more that twice in a twelve month period will be canceled.

3. Prior to suspension, the bank will issue to the Approving Official a Late Payment Notice (LPN), which is intended to alert the Approving Official that a problem has arisen in the payment area of the program, and that a payment has not been received. **When an LPN is received by an Approving Official, he/she must be proactive in determining the cause and work with the bank and the vendor pay office to solve the payment problem**

S. DISPUTE PROCEDURES.

1. **Basis for Disputes.** The most common causes for disputes are:

- Defective Items
- Unauthorized Charges
- Items billed but not received

Other reasons for dispute include alteration of payment amount and duplicate charges.

2. **Defective Items.** If items purchased with the credit card are found to be defective (e.g. price, quantity, or quality), **the cardholder will obtain replacement or correction from the merchant as soon as possible.** If the merchant refuses to replace or correct the faulty item or charge, the charge for the item should be formally disputed.

3. **Unauthorized Charges.** If a cardholder receives a Statement of Account that lists an unauthorized or incorrect charge, the Cardholder must try to resolve the charge with the merchant. After the Cardholder makes a reasonable attempt to resolve the situation with the merchant, the transaction must be formally disputed.

4. **Items Billed But Not Received.** This is the most common reason for Cardholders to initiate a dispute. However, most items billed but not received are received by the next Statement of Account. The Cardholder should annotate on their Statement of Account that the item has been ordered but not received. A formal dispute should be initiated if the item has not been received by the time the next Statement of Account is received.

**Dispute Procedures
at a glance.....**

- Unauthorized/incorrect charge on SOA? Try to resolve with vendor.
- Can't resolve with vendor? Initiate a formal dispute - CQSI.
- Item billed but not received? Annotate SOA. Initiate CQSI if item is not received by next SOA..
- CQSI sent directly to bank w/ copy to AO with SOA.
- Cardholders have 60 days from receipt of SOA to dispute a transaction.

5. **Initiating a Formal Dispute.**

a. Problem transactions must first be addressed to the merchant for resolution (i.e., credit, repair, or replacement). If the merchant does not remedy the situation Cardholders must complete a Cardholder Statement of Questioned Item (CSQI) form (see Attachment 11) and send it (mail or fax) directly to the bank. A copy of the CSQI form is attached to the Statement of Account and sent to the Approving Official as part of the reconciliation process. Cardholders should submit a CSQI once a reasonable attempt has been made to resolve the issue directly with the merchant. Approving Officials will continue to monitor the status of the dispute and assist as necessary to resolve the issue with the bank.

b. If there is a reasonable expectation that the vendor will correct the situation, the Cardholder will follow delayed dispute procedures as identified below..

c. In any case, Cardholders have 60 days from receipt of the Statement of Account to dispute a transaction.

6. **Delayed Dispute Procedures.**

a. If a potentially disputable item has been billed on the Statement of Account, the Cardholder should wait until the following billing cycle to submit a CSQI. Cardholders will be required to assist the bank as necessary and should follow-up with the bank until the dispute is resolved. ***A reconciled Statement of Account should not be withheld for disputed items; rather the Approving Official will certify the Billing Statement for payment in full.*** Any credits for the disputed items should be offset against future billings.

b. Cardholders have 60 days from receipt of the Statement of Account to dispute a transaction.

7. **Bank Actions.** The disputed items are summarized on the Statement of Account until resolved. If the bank determines that a refund is due to the Cardholder, a credit will appear on the Statement of Account. A breakdown of the disputed transactions will be available from the bank upon request.

8. **Items Which Cannot Be Formally Disputed.** The following items cannot be formally disputed with the bank:

a. Tax charges. Any taxes charged by the vendor must be resolved directly with the vendor. If the vendor will not credit the account, the tax charge must be paid.

b. Shipping charges. Shipping charges must be negotiated as a part of the total price of an item. Any shipping charges that are billed by the vendor that were not negotiated as a part of the total price of the item must be resolved directly with the vendor. If the vendor will not credit the account, the additional shipping charges must be paid.

c. The quality of a service. The quality of a service rendered by a vendor is a subjective judgment. If the expectations of the two parties entering into an agreement cannot be made clear by an oral agreement, then the service should be purchased through a formal contract, setting out clear terms and conditions.

9. You will find a handy desk-side Dispute Checklist at Attachment 12 of this SOP.

T. CONTACT WITH U.S. BANK.

The Bank should be contacted by Cardholders only under the following conditions:

- Reporting Lost or Stolen Cards
- Activating a New Card
- Inquiries as to the Status of the Account

All other questions should be directed to the Agency Program Coordinator or the Alternate Agency Program Coordinator.

U. LOST OR STOLEN PURCHASE CARDS.

1. **Telephonic Notification.** If the card is lost or stolen, the Cardholder should *immediately* notify the bank at the following number: **1-888-99-IMPAC**.

2. **Written Notification.** The Cardholder must also notify the Approving Official and the Agency Program Coordinator of the lost or stolen card within one (1) workday

after discovering the card is missing. The Approving Official should submit a written report to the Agency Program Coordinator within five (5) workdays. The report should include:

- the card number;
- the cardholder’s complete name;
- the date and location of the loss;
- if stolen, the date reported to the police;
- purchases made on the day the card was lost/stolen
- any other pertinent information

3. **Card Replacement.** A new card will be mailed within two (2) business days of the reported loss or theft. A card that is subsequently found after being reported lost or stolen should be cut in half and given to his/her Approving Official. The Approving Official will then forward an IMPAC Card Destruct Notice to the Agency Program Coordinator.

V. CARD SECURITY. It is the Cardholder’s responsibility to safeguard the credit card and account number at all times. The Cardholder must not allow anyone to use his/her card or account number. A violation of this trust will require that the card be withdrawn from the cardholder with the possibility of subsequent disciplinary action.

W. SEPARATION OF CARDHOLDER. Upon separation of the Cardholder, the Cardholder must surrender the card to his/her Approving Official. The Approving Official will destroy the card and forward an IMPAC Card Destruct Notice to the Agency Program Coordinator. (See Attachment 13 for sample of IMPAC Card Destruct Notice.)

X. TRANSFER OF CARDHOLDER TO ANOTHER APPROVING OFFICIAL. If a Cardholder is transferred to another office within the same organization, the Cardholder’s account may simply be transferred to the new Approving Official at the end of the current billing cycle. However, if a cardholder moves to a different Approving Official outside the organization, the new Approving Official will determine if the employee will be a cardholder within the new organization. If it is determined that the employee will be a cardholder, a new nomination form (with proof of training) must be forwarded to the Agency Organization Program Coordinator. A new card will then be issued under the new Approving Official. The old cardholder account should then be canceled by forwarding an IMPAC Card Destruct Notice to the Agency Organization Program Coordinator.

Y. EDUCATING YOUR MERCHANTS.

As you expand your use of the IMPAC card you may find that not all the merchants you want to do business with accept the VISA card. To help them understand the benefits of accepting the VISA card, remind them of the following:

1. ***Customer Retention: Customers are creating the demand.*** DOD wants to do business with merchants who accept the VISA card. In order for them to retain customers, it only makes sense to accept the IMPAC Purchasing Card.

2. ***Prompt Payment: Purchases are generally paid in three business days.*** It can take from 30 to 60 days or longer following invoicing for merchants to receive payment. By accepting the IMPAC Purchasing Card, payment time accelerates to just two or three business days. Also, purchasing card acceptance eliminates the need to invoice, reducing administrative costs.

3. ***Streamlined Process: Credit Card Customers are pre-approved.*** Cardholders using the IMPAC purchasing card have pre-approved spending authorization that allows for quick transaction approval at the time of sale.

4. ***Lower Processing Costs: Less paperwork.*** Industry statistics say it costs a merchant up to \$54 to produce an invoice, mail it, process the incoming check, and reconcile the payment. With the VISA acceptance, invoice follow-up and collection are eliminated.

5. ***Reduced Fraud Risk: Guaranteed payment.*** Purchasing authority is verified at the point-of-sale through electronic authorizations, thereby reducing the risk of fraud while avoiding the cost of bad debt collection. Payments are received directly from the credit card processing bank so merchants don't have to worry about being paid (subject to credit card regulations).